



HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2002
OF THE CONDITION AND AFFAIRS OF THE

Grand Valley Health Plan

NAIC Group Code	(Current Period)	(Prior Period)	NAIC Company Code	95453	Employer's ID Number	38-2396958
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health []		Property/Casualty []	Dental Service Corporation []		
	Vision Service Corporation []		Other []	Health Maintenance Organization [x]		
	Hospital, Medical & Dental Service or Indemnity []		Is HMO, Federally Qualified? Yes [] No [X]			
Incorporated	12/03/1981		Commenced Business	02/05/1982		
Statutory Home Office	829 Forest Hills Ave SE		Grand Rapids, MI 49546			
	(Street and Number)		(City or Town, State and Zip Code)			
Main Administrative Office	829 Forest Hills Ave		616-949-2410-119			
	Grand Rapids, MI 49546		(Area Code) (Telephone Number)			
	(City or Town, State and Zip Code)					
Mail Address	829 Forest Hills Ave SE		Grand Rapids, MI 49546			
	(Street and Number or P.O. Box)		(City or Town, State and Zip Code)			
Primary Location of Books and Records	829 Forest Hills Ave		616-949-2410-119			
	Grand Rapids, MI 49546		(Area Code) (Telephone Number)			
	(City or Town, State and Zip Code)					
Internet Website Address	brownj@gvhp.com					
Statement Contact	Jean Marie Brown		616-949-2410-119			
	(Name)		(Area Code) (Telephone Number) (Extension)			
	brownj@gvhp.com		616-949-			
	(E-mail Address)		(FAX Number)			
Policyowner Relations Contact						
	(Street and Number)					
	(City or Town, State and Zip Code)		(Area Code) (Telephone Number) (Extension)			

OFFICERS

President	Roland Palmer	Secretary	Thomas Schouten
Treasurer	Thomas Schouten		

VICE PRESIDENTS

James Kerby MD

DIRECTORS OR TRUSTEES

Lucille Grimm Kathy Lentz Pam Silva John Miller Herb Start Shirley Grice

State of Michigan..... } ss
County of Kent..... }

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

President	Secretary	Treasurer
Subscribed and sworn to before me this		
day of 2003		
a. Is this an original filing? Yes [] No []		
b. If no		
1. State the amendment number		
2. Date filed		
3. Number of pages attached		

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds .....	.0		.0	50,820
2. Stocks:				
2.1 Preferred stocks .....	.0		.0	.0
2.2 Common stocks .....	.0		.0	.0
3. Mortgage loans on real estate:				
3.1 First liens .....			.0	.0
3.2 Other than first liens .....			.0	.0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)	1,386,857	(a)	1,386,857	1,373,955
4.2 Properties held for the production of income (less \$ encumbrances) .....			.0	.0
4.3 Properties held for sale (less \$ encumbrances) .....			.0	.0
5. Cash (\$1,241,154 , Schedule E - Part 1) and short-term investments (\$1,017,803 , Schedule DA - Part 2)	2,258,957		2,258,957	2,375,684
6. Other long-term invested assets	792,138		792,138	811,476
7. Receivable for securities .....	.0		.0	.0
8. Aggregate write-ins for invested assets .....	.0	.0	.0	.0
9. Subtotals, cash and invested assets (Lines 1 to 8)	4,437,952	.0	4,437,952	4,611,935
10. Accident and health premiums due and unpaid	1,002,786	15,000	987,786	799,554
11. Health care receivables	69,851	28,928	40,923	75,215
12. Amounts recoverable from reinsurers	525,219		525,219	.0
13. Net adjustment in assets and liabilities due to foreign exchange rates .....			.0	.0
14. Investment income due and accrued	1,168		1,168	.0
15. Amounts due from parent, subsidiaries and affiliates	724,840	356,616	368,224	320,976
16. Amounts receivable relating to uninsured accident and health plans .....			.0	.0
17. Furniture and equipment	92,537		92,537	277,081
18. Amounts due from agents .....			.0	.0
19. Federal and foreign income tax recoverable and interest thereon (including \$1,844,624 net deferred tax asset)	1,844,624	1,844,624	.0	.0
20. Electronic data processing equipment and software	166,310		166,310	228,431
21. Other nonadmitted assets	209,599	209,599	.0	.0
22. Aggregate write-ins for other than invested assets	334,577	.0	334,577	307,165
23. Total assets (Lines 9 plus 10 through 22)	9,409,463	2,454,767	6,954,696	6,620,357
DETAILS OF WRITE-INS				
0801. ....			.0	.0
0802.				
0803.				
0898. Summary of remaining write-ins for Line 8 from overflow page .....	.0	.0	.0	.0
0899. Totals (Lines 0801 thru 0803 plus 0898)(Line 8 above)	0	0	0	0
2201. Pharmacy Inventory.....	246,846		246,846	305,719
2202. A/R Other.....	87,731		87,731	1,446
2203.				
2298. Summary of remaining write-ins for Line 22 from overflow page .....	.0	.0	.0	.0
2299. Totals (Lines 2201 thru 2203 plus 2298)(Line 22 above)	334,577	0	334,577	307,165

(a) \$ health care delivery assets included in Line 4.1, Column 3.

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	3,204,324	273,880	3,478,204	4,113,648
2. Accrued medical incentive pool and bonus payments	0		0	0
3. Unpaid claims adjustment expenses			0	0
4. Aggregate policy reserves			0	0
5. Aggregate claim reserves			0	0
6. Premiums received in advance	735,140		735,140	417,138
7. General expenses due or accrued	847,834		847,834	536,786
8. Federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses)) (including \$ net deferred tax liability)			0	0
9. Amounts withheld or retained for the account of others			0	0
10. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	5,693
11. Amounts due to parent, subsidiaries and affiliates			0	0
12. Payable for securities			0	0
13. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
14. Reinsurance in unauthorized companies			0	0
15. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
16. Liability for amounts held under uninsured accident and health plans			0	0
17. Aggregate write-ins for other liabilities (including \$ current)	57,482	0	57,482	57,482
18 Total liabilities (Lines 1 to 17).....	4,844,780	273,880	5,118,660	5,130,747
19. Common capital stock	XXX	XXX	312,996	312,996
20 Preferred capital stock	XXX	XXX		0
21. Gross paid in and contributed surplus	XXX	XXX	1,212,873	1,212,873
22. Surplus notes	XXX	XXX	500,000	500,000
23. Aggregate write-ins for other than special surplus funds	XXX	XXX	(189,833)	(536,259)
24. Unassigned funds (surplus)	XXX	XXX		0
25. Less treasury stock, at cost:				
25.1 .....shares common (value included in Line 19 \$)	XXX	XXX		0
25.2 .....shares preferred (value included in Line 20 \$)	XXX	XXX		0
26. Total capital and surplus (Lines 19 to 24 Less 25)	XXX	XXX	1,836,036	1,489,610
27. Total liabilities, capital and surplus (Lines 18 and 26)	XXX	XXX	6,954,696	6,620,357
DETAILS OF WRITE-INS				
1701. Malpractice Insurance Tail.....	57,482		57,482	57,482
1702. Capital Lease.....			0	0
1703.				
1798. Summary of remaining write-ins for Line 17 from overflow page	0	0	0	0
1799. Totals (Lines 1701 thru 1703 plus 1798) (Line 17 above)	57,482	0	57,482	57,482
2301. Retained Earnings Adjusted for Non-Admitted Assets.....	XXX	XXX	(189,833)	(536,259)
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	(189,833)	(536,259)

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	238,608	255,910
2. Net premium income	XXX	38,979,022	35,979,806
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX	626,331	739,752
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	1,204,045	1,192,419
7. Total revenues (Lines 2 to 6)	XXX	40,809,398	37,911,977
Medical and Hospital:			
8. Hospital/medical benefits	1,367,429	26,173,076	24,334,299
9. Other professional services	29,989	2,604,487	2,740,967
10. Outside referrals	0	0	0
11. Emergency room and out-of-area	36,368	890,653	768,587
12. Prescription Drugs		6,198,013	5,663,444
13. Aggregate write-ins for other medical and hospital	6,254	853,117	897,674
14. Incentive pool and withhold adjustments			0
15. Subtotal (Lines 8 to 14)	1,440,040	36,719,346	34,404,971
Less:			
16. Net reinsurance recoveries		525,219	12,322
17. Total medical and hospital (Lines 15 minus 16)	1,440,040	36,194,127	34,392,649
18. Claims adjustment expenses		217,586	183,922
19. General administrative expenses.....		3,956,005	3,270,426
20. Increase in reserves for accident and health contracts			0
21. Total underwriting deductions (Lines 17 through 20)	1,440,040	40,367,718	37,846,997
22. Net underwriting gain or (loss) (Lines 7 minus 21)	XXX	441,680	64,980
23. Net investment income earned		150,601	191,198
24. Net realized capital gains or (losses)		0	0
25. Net investment gains or (losses) (Lines 23 + 24)	0	150,601	191,198
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0
27. Aggregate write-ins for other income or expenses	0	0	0
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27)	0	592,281	256,178
29. Federal and foreign income taxes incurred	XXX	201,376	113,000
30. Net income (loss) (Lines 28 minus 29)	XXX	390,905	143,178
DETAILS OF WRITE-INS			
0601. Copayments.....	XXX	1,204,045	1,192,419
0602.	XXX		0
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	1,204,045	1,192,419
1301.			0
1302. Other Medical Expenses.....	6,254	853,117	897,674
1303.			
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	6,254	853,117	897,674
2701.			
2702.			
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0	0

CAPITAL AND SURPLUS ACCOUNT

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
31. Capital and surplus prior reporting year	1,489,609	.635,781
GAINS AND LOSSES TO CAPITAL & SURPLUS:		
32. Net income or (loss) from Line 30	390,905	143,178
33. Change in valuation basis of aggregate policy and claim reserve		0
34. Net unrealized capital gains and losses		0
35. Change in net unrealized foreign exchange capital gain or (loss)		0
36. Change in net deferred income tax	201,376	0
37. Change in nonadmitted assets	(255,846)	241,495
38. Change in unauthorized reinsurance	0	0
39. Change in treasury stock		0
40. Change in surplus notes	0	.500,000
41. Cumulative effect of changes in accounting principles		0
42. Capital Changes:		
42.1 Paid in		0
42.2 Transferred from surplus (Stock Dividend)		0
42.3 Transferred to surplus		0
43. Surplus adjustments:		
43.1 Paid in		0
43.2 Transferred to capital (Stock Dividend)		0
43.3 Transferred from capital		0
44. Dividends to stockholders		0
45. Aggregate write-ins for gains or (losses) in surplus	9,992	.(30,845)
46. Net change in capital & surplus (Lines 32 to 45)	346,427	.853,828
47. Capital and surplus end of reporting year (Line 31 plus 46)	1,836,036	1,489,609
DETAILS OF WRITE-INS		
4501. Adj for surplus increase.....	9,992	.(30,845)
4502.		
4503.		
4598. Summary of remaining write-ins for Line 45 from overflow page	0	0
4599. Totals (Lines 4501 thru 4503 plus 4598) (Line 45 above)	9,992	(30,845)

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums and revenues collected net of reinsurance	39,725,129	36,498,738
2. Claims and claims adjustment expenses	38,097,595	34,989,814
3. General administrative expenses paid	3,644,957	3,482,818
4. Other underwriting income (expenses)	1,204,045	1,692,883
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(813,378)	(281,011)
6. Net investment income	150,601	191,200
7. Other income (expenses)	0	0
8. Federal and foreign income taxes (paid) recovered	(201,376)	(113,000)
9. Net cash from operations (Lines 5 to 8)	(864,153)	(202,811)
Cash from Investments		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds	50,000	300,000
10.2 Stocks	0	0
10.3 Mortgage loans	0	0
10.4 Real estate	0	0
10.5 Other invested assets	19,338	0
10.6 Net gains or (losses) on cash and short-term investments	0	0
10.7 Miscellaneous proceeds	0	0
10.8 Total investment proceeds (Lines 10.1 to 10.7)	69,338	300,000
11. Cost of investments acquired (long-term only):		
11.1 Bonds	0	0
11.2 Stocks	0	0
11.3 Mortgage loans	0	0
11.4 Real estate		0
11.5 Other invested assets	0	0
11.6 Miscellaneous applications	0	0
11.7 Total investments acquired (Lines 11.1 to 11.6)	0	0
12. Net Cash from investments (Line 10.8 minus Line 11.7)	69,338	300,000
Cash from Financing and Miscellaneous Sources		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in		500,000
13.2 Net transfers from affiliates	0	0
13.3 Borrowed funds received	0	0
13.4 Other cash provided	731,029	585,839
13.5 Total (Lines 13.1 to 13.4)	731,029	1,085,839
14. Cash applied:		
14.1 Dividends to stockholders paid	0	0
14.2 Net transfers to affiliates	47,248	214,696
14.3 Borrowed funds repaid	5,693	17,253
14.4 Other applications	0	70,230
14.5 Total (Lines 14.1 to 14.4)	52,941	302,179
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	678,088	783,660
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	(116,727)	880,849
17. Cash and short-term investments:		
17.1 Beginning of year	2,375,684	1,494,835
17.2 End of year (Line 16 plus Line 17.1)	2,258,957	2,375,684

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Grand Valley Health Plan

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS (Gain and Loss Exhibit)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medical Only	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-term Care	Other
1. Net premium income	38,979,022	35,210,766					3,768,256						
2. Change in unearned premium reserves and reserve for rate credit	0												
3. Fee-for-service (net of \$													
medical expenses)	626,331	626,331											
4. Risk revenue.....	0												
5. Aggregate write-ins for other health care related revenues	1,204,045	1,097,261	0	0	0	0	106,784	0	0	0	0	0	0
6. Total revenues (Lines 1 to 5).....	40,809,398	36,934,358	0	0	0	0	3,875,040	0	0	0	0	0	0
7. Medical/hospital benefits	26,173,076	22,877,345					3,295,731						
8. Other professional services	2,604,487	2,431,628					172,859						
9. Outside referrals	0												
10. Emergency room and out-of-area	890,653	815,942					74,711						
11. Prescription Drugs	6,198,013	5,560,329					637,684						
12. Aggregate write-ins for other medical and hospital	853,117	853,117	0	0	0	0	0	0	0	0	0	0	0
13. Incentive pool and withhold adjustments	0												
14. Subtotal (Lines 7 to 13)	36,719,346	32,538,361	0	0	0	0	4,180,985	0	0	0	0	0	0
15. Net reinsurance recoveries	525,219	478,930					46,289						
16. Total medical and hospital (Lines 14 minus 15)	36,194,127	32,059,431	0	0	0	0	4,134,696	0	0	0	0	0	0
17. Claims adjustment expenses	217,586	198,289					19,297						
18. General administrative expenses	3,956,005	3,605,155					350,850						
19. Increase in reserves for accident and health contracts	0												
20. Total underwriting deductions (Lines 16 to 19)	40,367,718	35,862,875	0	0	0	0	4,504,843	0	0	0	0	0	0
21. Total underwriting gain or (loss) (Line 6 minus Line 20)	441,680	1,071,483	0	0	0	0	(629,803)	0	0	0	0	0	0
DETAILS OF WRITE-INS													
0501. Copayments.....	1,204,045	1,097,261					106,784						
0502.													
0503.													
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	1,204,045	1,097,261	0	0	0	0	106,784	0	0	0	0	0	0
1201. Other Medical Expense.....	853,117	853,117											
1202.													
1203.													
1298. Summary of remaining write-ins for Line 12 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0
1299. Totals (Lines 1201 thru 1203 plus 1298) (Line 12 above)	853,117	853,117	0	0	0	0	0	0	0	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1+2-3)
1. Comprehensive (medical and hospital)	35,513,933		303,167	35,210,766
2. Medicare Supplement .....				.0
3. Dental Only.....				.0
4. Vision Only.....				.0
5. Federal Employees Health Benefits Plan Premiums	3,797,760		29,504	3,768,256
6. Title XVIII - Medicare .....				.0
7. Title XIX - Medicaid.....				.0
8. Other .....				.0
9. Totals	39,311,693	0	332,671	38,979,022

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Medical & Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1. Payments during the year:									
1.1 Direct	37,354,790	33,173,805				4,180,985			
1.2 Reinsurance assumed .....	.0								
1.3 Reinsurance ceded .....	.0								
1.4 Net	37,354,790	33,173,805	.0	.0	.0	4,180,985	.0	.0	.0
2. Paid medical incentive pools and bonuses .....	.0								
3. Claim liability December 31, current year from Part 2A:									
3.1 Direct	3,478,204	3,478,204	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net	3,478,204	3,478,204	.0	.0	.0	.0	.0	.0	.0
4. Claim reserve December 31, current year from Part 2D:									
4.1 Direct .....	.0								
4.2 Reinsurance assumed .....	.0								
4.3 Reinsurance ceded .....	.0								
4.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Accrued medical incentive pools and bonuses, current year .....	.0								
6. Amounts recoverable from reinsurers December 31, current year	525,219	478,930				46,289			
7. Claim liability December 31, prior year from Part 2A:									
7.1 Direct	4,113,648	4,113,648	.0	.0	.0	.0	.0	.0	.0
7.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7.4 Net	4,113,648	4,113,648	.0	.0	.0	.0	.0	.0	.0
8. Claim reserve December 31, prior year from Part 2D:									
8.1 Direct .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
9. Accrued medical incentive pools and bonuses, prior year .....	.0	.0							
10. Amounts recoverable from reinsurers December 31, prior year	0	0							
11. Incurred Benefits:									
11.1 Direct	36,719,346	32,538,361	.0	.0	.0	4,180,985	.0	.0	.0
11.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
11.3 Reinsurance ceded	525,219	478,930	0	0	0	46,289	0	0	0
11.4 Net	36,194,127	32,059,431	0	0	0	4,134,696	0	0	0
12. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - Claims Liability End of Current Year

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Medical & Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1. Reported in Process of Adjustment:									
1.1. Direct	2,364,708	2,364,708				.0			
1.2. Reinsurance assumed .....	.0								
1.3. Reinsurance ceded .....	.0								
1.4. Net	2,364,708	2,364,708	.0	.0	.0	.0	.0	.0	.0
2. Incurred but Unreported:									
2.1. Direct	1,113,496	1,113,496				.0			
2.2. Reinsurance assumed .....	.0								
2.3. Reinsurance ceded .....	.0								
2.4. Net	1,113,496	1,113,496	.0	.0	.0	.0	.0	.0	.0
3. Amounts Withheld from Paid Claims and Capitations:									
3.1. Direct .....	.0								
3.2. Reinsurance assumed .....	.0								
3.3. Reinsurance ceded .....	.0								
3.4. Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. TOTALS:									
4.1. Direct	3,478,204	3,478,204	.0	.0	.0	.0	.0	.0	.0
4.2. Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3. Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4. Net	3,478,204	3,478,204	0	0	0	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (medical and hospital)	3,338,561	29,835,244	45,419	3,432,785	3,383,980	4,113,648
2. Medicare Supplement			0		0	0
3. Dental Only.....					0	0
4. Vision Only.....					0	0
5. Federal Employees Health Benefits Plan Premiums	0	4,180,985			0	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid.....					0	0
8. Other					0	0
9. Subtotal	3,338,561	34,016,229	45,419	3,432,785	3,383,980	4,113,648
10. Medical incentive pools, accruals and disbursements					0	0
11. Totals	3,338,561	34,016,229	45,419	3,432,785	3,383,980	4,113,648

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Section C – Incurred Year Claims and Claims Adjustment Expense Ratio – Hospital and Medical

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
POLICY RESERVE									
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$ for investment income)									
5. Aggregate write-ins for other policy reserves									
6. Totals (Gross)									
7. Reinsurance ceded									
8. Totals (Net)(Page 3, Line 4)									
CLAIM RESERVE									
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. Totals (Gross)									
13. Reinsurance ceded									
14. Totals (Net)(Page 3, Line 5)									
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 thru 0503 plus 0598) (Line 5 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. TOTALS (Lines 1101 thru 1103 plus 1198) (Line 11 above)									

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	1 Claim Adjustment Expenses	2 General Administration Expenses	3 Investment Expenses	4 Total
1. Rent (\$ for occupancy of own building).....		418,303		418,303
2. Salaries, wages and other benefits.....	108,825	784,352		893,177
3. Commissions (less \$ ceded plus \$ assumed).....		422,313		422,313
4. Legal fees and expenses.....		475,113		475,113
5. Certifications and accreditation fees.....				.0
6. Auditing, actuarial and other consulting services.....		316,742		316,742
7. Traveling expenses.....	86	15,288		15,374
8. Marketing and advertising.....		34,441		34,441
9. Postage, express and telephone.....	4,286	146,432		150,718
10. Printing and office supplies.....	3,552	70,335		73,887
11. Occupancy, depreciation and amortization.....	287	268,895		269,182
12. Equipment.....		16,477		16,477
13. Cost or depreciation of EDP equipment and software.....		9,920		9,920
14. Outsourced services including EDP, claims, and other services.....	92,059	183,556		275,615
15. Boards, bureaus and association fees.....	159	46,761		46,920
16. Insurance, except on real estate.....		15,394		15,394
17. Collection and bank service charges.....		22,904		22,904
18. Group service and administration fees.....		360,000		360,000
19. Reimbursements by uninsured accident and health plans.....				.0
20. Reimbursements from fiscal intermediaries.....				.0
21. Real estate expenses.....				.0
22. Real estate taxes.....				.0
23. Taxes, licenses and fees:				
23.1 State and local insurance taxes.....	.0	.0		.0
23.2 State premium taxes.....				.0
23.3 Regulatory authority licenses and fees.....				.0
23.4 Payroll taxes.....	8,333	331,080		339,413
23.5 Other (excluding federal income and real estate taxes).....				.0
24. Investment expenses not included elsewhere.....				.0
25. Aggregate write-ins for expenses.....	0	17,698	0	17,698
26. Total expenses incurred (Lines 1 to 25).....	217,587	3,956,004	.0 (a)	4,173,591
27. Add expenses unpaid December 31, prior year.....		536,786		536,786
28. Less expenses unpaid December 31, current year.....		847,834		847,834
29. Amounts receivable related to uninsured accident and health plans, prior year.....				.0
30. Amounts receivable related to uninsured accident and health plans, current year.....				.0
31. Total expenses paid (Lines 26 + 27 - 28 - 29 + 30)	217,587	3,644,956	0	3,862,543
DETAIL OF WRITE-INS				
2501. Misc Expense.....		17,698		17,698
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Line 2501 thru 2503 plus 2598)(Line 25 above)	0	17,698	0	17,698

(a) Includes management fees of \$ to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....3,842	.....3,842
1.1	Bonds exempt from U.S. tax	(a) .....	.....
1.2	Other bonds (unaffiliated)	(a) .....	.....
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....	.....
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....	.....
5.	Contract loans.....	.....	.....
6.	Cash/short-term investments	(e) .....41,928	.....43,096
7.	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....103,663	.....103,663
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income .....	.....149,433	.....150,601
11.	Investment expenses		(g)
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total (Lines 11 through 15) .....		.....0
17.	Net Investment Income - (Line 10 minus Line 16)		.....150,601
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	.....0	.....0
1501.	.....		.....
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		.....0

(a) Includes \$accrual of discount less \$amortization of premium and less \$paid for accrued interest on purchases.
(b) Includes \$accrual of discount less \$amortization of premium and less \$paid for accrued dividends on purchases.
(c) Includes \$accrual of discount less \$amortization of premium and less \$paid for accrued interest on purchases.
(d) Includes \$for company's occupancy of its own buildings; and excludes \$interest on encumbrances.
(e) Includes \$accrual of discount less \$amortization of premium and less \$paid for accrued interest on purchases.
(f) Includes \$accrual of discount less \$amortization of premium.
(g) Includes \$investment expenses and \$investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$interest on surplus notes and \$interest on capital notes.
(i) Includes \$depreciation on real estate and \$depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Net Gain (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	Total
1.	U.S. Government bonds .....					.....0
1.1	Bonds exempt from U.S. tax .....					.....0
1.2	Other bonds (unaffiliated) .....					.....0
1.3	Bonds of affiliates .....					.....0
2.1	Preferred stocks (unaffiliated) .....					.....0
2.11	Preferred stocks of affiliates .....					.....0
2.2	Common stocks (unaffiliated) .....					.....0
2.21	Common stocks of affiliates .....					.....0
3.	Mortgage loans .....					.....0
4.	Real estate .....					.....0
5.	Contract loans .....					.....0
6.	Cash/Short-term investments .....					.....0
7.	Derivative instruments .....					.....0
8.	Other invested assets .....					.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
DETAILS OF WRITE-INS						
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	.....0	.....0	.....0	.....0	.....0

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) or Decrease
1. Summary of Items Page 2, Lines 10 to 13 and 15 to 20, Column 2	610,143	354,297	(255,846)
2. Other Non-Admitted Assets:			
2.1 Bills receivable.....		0	0
2.2 Leasehold improvements.....		0	0
2.3 Cash advanced to or in hands of officers and agents.....		0	0
2.4 Loans on personal security, endorsed or not.....			0
2.5 Commuted commissions.....			0
3. Total (Lines 2.1 to 2.5)	0	0	0
4. Aggregate write-ins for other assets.....	0	0	0
5. Total (Line 1 plus Lines 3 and Line 4)	610,143	354,297	(255,846)
0401.			
0402.			
0403.			
0498. Summary of remaining write-ins for Line 4 from overflow page	0	0	0
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)	0	0	0

EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	20,378	19,910	19,479	19,538	19,413	236,724
2. Provider Service Organizations.....	.0	.0				
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	125	161	158	165	148	1,885
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	20,503	20,071	19,637	19,703	19,561	238,609
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

Notes to the Financial Statements

Note One: Summary of Significant Accounting Principles
The State of Michigan has delayed implementation of SSAP until January 1, 2003. The footnote reconciliation is not required at this time.

Note Two: Accounting Changes and Corrections of Errors
None to report

Note Three: Business Combinations and Goodwill
None to report

Note Four: Discontinued Operations
During 2002 Grand Valley Health Plan reduced the number of its Pharmacies from four to two. There are no plans to discontinue any other operations.

Note Five: Investments
Mortgage loans - none
Debt Restructure - none
Reverse Mortgage - none
Loan Backed Securities - none
Repurchase Agreements - none

Note 6: Joint Ventures, Partnerships and Limited Liability Corporations
The Leonard Street LLC operates and maintains the building used by Grand Valley Surgery Center, Grand Valley Health Plan Radiology Department, Grand Valley Health Plan Pharmacy, Grand Valley Health Plan Beckwith Health Center and Orthopedic Associates of Grand Rapids.
Grand Valley Health Plan owns a 30% interest and uses the equity method to account for this investment.

Note 7: Investment Income
The amount accrued for investment income due and accrued was \$1,168 at the end of 2001

Note 8: Derivatives
None to report

Note 9: Income Taxes
Grand Valley Health Plan holds a deferred tax asset of \$ 1,844,624. Since the State of Michigan has delayed implementation of SSAP, no portion of the asset is treated as an admitted asset.
Pending the issuance of our 2002 audit, the net operating loss carryforward will expire as follows:

Year	Amount
2018	\$ 115,000
2019	\$ 3,100,000
2020	\$ 1,037,000

Note 10: Information concerning Parent, Subsidiary and Affiliates
The nature of the relationships;
Grand Valley Health Plan is a wholly owned subsidiary of Grand Valley Health Corporation

Grand Valley Health Facilities is a wholly owned subsidiary of Grand Valley Health Corporation and manages to buildings utilized by Grand Valley Health Plan.

Grand Valley Health Management is a wholly owned subsidiary of Grand Valley Health Corporation

Grand Valley Surgery Center is partially owned by Grand Valley Health Management (45%) and Grand Valley Health Corporatoin (1%).

Grand Valley Health Plan pays a monthly management fee to Grand Valley Health Corporation . The total amount paid for such services in 2002 was \$360,000. Grand Valley Health Plan will sometimes pay general accounts payables the expense for which are rightly charged to one of the other members of the holdingcompany. Such charges are then settled by the corresponding entity.

Grand Valley Health Plan is paid a montly management fee by Grand Valley Health Management in return for providing such services as human resources and finance department support.

Note 11 Debt
None to report

Note 12 Retirement Plans, Deferred Compensation, Post Employment Benefits, Compensated absences and other post retirement plans.

NOTES TO FINANCIAL STATEMENTS

Grand Valley Health Plan participates in an Employee Stock Ownership Plan covering substantially all full time employees. THE ESOP invests primarily in the stock of Grand Valley Health Corporation. In 2002 GVHP made contributions of \$277,032 to the ESOP plan. GVHP offers a 401(k) plan to interested employees who are at least 21 years old.

Grand Valley Health Plan maintains a profit sharing plan which covers all employees meeting established criteria. No contributions were made to the plan in 2002.

Compensated Absences are accrued to cover vested vacation days still unused and outstanding. As of December 31, 2002 that amount was \$71,315.

Note 13 Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganization

Stock Common Stock only

Par Value of \$1.00

Shares Authorized 400,000

Shares Issued and Outstanding 312,996

Additional Paid in Capital \$1,212,873

A Surplus Note in the amount of \$500,000 remains outstanding

Note 14 Contingencies:

None to report

Note 15 Leases

GVHP leases six of its seven Health Centers as well as administrative space from an organization that is considered a related party. The leases are non-cancelable and contain renewal provisions. Under the terms of the lease, GVHP is responsible for the payment of utilities, maintenance and property taxes. Future minimum lease payments will be provided upon completion of our 2002 financial audit.

Note 16 Off Balance Sheet risk

None to report

Note 17 Sales, Transfers and Servicing of Financial Assets and Extinguishment of Liabilities

Grand Valley Health Plan settled its anti-trust suit with Gambro and has no outstanding claims liabilities with respect to that provider. In previous years, significant liabilities for claims were accrued.

Note 18 Gain or Loss to Reporting entity from uninsured A&H plan and the Uninsured portion of partially used plans:

None to report.

Note 19 Direct Premium written/produced by managing agents/third party administrators

None to report

Note 20 Other Items

None to report

Note 21 Subsequent Events

Grand Valley Health Corporation has entered into contract with two independent software vendors to provide a new HIPPA compliant software. Grand Valley Health Corporation and independent investors is in the process of forming Grand Valley Health Technologies Corporation. Grand Valley Health Plan will then purchase Information Services support from Grand Valley Health Technologies Corporation.

Note 22 Reinsurance

There are no disputes between Grand Valley Health Plan and American National Insurance. The reinsurance recovery that was outstanding at the end of 2001 was voided as part of the anti-trust suit settlement.

GVHP's coverage is as follows:

- \$150,000 deductible per case

- 90% coverage of eligible services with \$3,000 average per day limit

Note 23: Retrospectively rated contracts

None to report

Note 24 Organizations and Operations

GVHP is a staff model HMO serving the West Michigan area with the operation of seven health centers, two pharmacies, urgent care facility, counseling and wellness , holistic health and radiology services.

NOTES TO FINANCIAL STATEMENTS

Note 25 Salvage and Subrogation
None to report

Note 26 Changes in incurred claims and claims adjustment expense
Claims adjustment expenses have been segregated in 2002 . Cost containment efforts continue to be an organizational priority.

Note 27 Statutory Reserves
The statutory net worth of Grand Valley Health Plan was \$1,836,036. State law requires \$1,500,000.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. Treasury securities .....		.0.000		.0.000
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies .....		.0.000		.0.000
1.22 Issued by U.S. government sponsored agencies .....		.0.000		.0.000
1.3 Foreign government (including Canada, excluding mortgaged-backed securities) .....		.0.000		.0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations .....		.0.000		.0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....		.0.000		.0.000
1.43 Revenue and assessment obligations .....		.0.000		.0.000
1.44 Industrial development and similar obligations .....		.0.000		.0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA .....		.0.000		.0.000
1.512 Issued by FNMA and FHLMC .....		.0.000		.0.000
1.513 Privately issued .....		.0.000		.0.000
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC .....		.0.000		.0.000
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC .....		.0.000		.0.000
1.523 All other privately issued .....		.0.000		.0.000
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO) .....		.0.000		.0.000
2.2 Unaffiliated foreign securities .....		.0.000		.0.000
2.3 Affiliated securities .....		.0.000		.0.000
3. Equity interests:				
3.1 Investments in mutual funds	0	.0.000		.0.000
3.2 Preferred stocks:				
3.21 Affiliated .....		.0.000		.0.000
3.22 Unaffiliated .....		.0.000		.0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated .....		.0.000		.0.000
3.32 Unaffiliated .....		.0.000		.0.000
3.4 Other equity securities:				
3.41 Affiliated .....		.0.000		.0.000
3.42 Unaffiliated .....		.0.000		.0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated .....		.0.000		.0.000
3.52 Unaffiliated .....		.0.000		.0.000
4. Mortgage loans:				
4.1 Construction and land development .....		.0.000		.0.000
4.2 Agricultural .....		.0.000		.0.000
4.3 Single family residential properties .....		.0.000		.0.000
4.4 Multifamily residential properties .....		.0.000		.0.000
4.5 Commercial loans .....		.0.000		.0.000
5. Real estate investments:				
5.1 Property occupied by the company	1,386,857	31.242	1,386,857	31.250
5.2 Property held for the production of income (includes \$ of property acquired in satisfaction of debt) .....		.0.000	0	.0.000
5.3 Property held for sale (\$ including property acquired in satisfaction of debt) .....		.0.000	0	.0.000
6. Policy loans .....		.0.000		.0.000
7. Receivables for securities	1,168	.0.026	0	.0.000
8. Cash and short-term investments	2,258,957	50.887	2,258,957	50.901
9. Other invested assets	792,138	17.844	792,138	17.849
10. Total invested assets	4,439,120	100.000	4,437,952	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ NA ☐
- 1.3

State Regulating?

Michigan
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:

If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

06/30/1999
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/1995
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

05/19/1997
- 3.4

By what department or departments? Michigan Office of Financial and Insurance Services
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11

sales of new business?

Yes ☐ No ☒
- 4.12

renewals?

Yes ☐ No ☒
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21

sales of new business?

Yes ☐ No ☒
- 4.22

renewals?

Yes ☐ No ☒
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes ☐ No ☒
- 6.2

If yes, give full information:
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒
- 7.2

If yes,

7.21 State the percentage of foreign control;

7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney in fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

(continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Crowe Chizek South Bend, In.....

9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
William Mercer Detroit, MI.....
10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

10.1 What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
Not Applicable
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

10.3 Have there been any changes made to any of the trust indentures during the year?

10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes?
- Yes [] No [X]

Yes [] No []

Yes [] No [] NA []

BOARD OF DIRECTORS

11. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

12. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

13. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or likely to conflict with the official duties of such person?.
- Yes [X] No []

Yes [X] No []

Yes [X] No []

FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

14.11 To directors or other officers ... \$.....0

14.12 To stockholders not officers ... \$.....0

14.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 14.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

14.21 To directors or other officers ... \$.....0

14.22 To stockholders not officers ... \$.....0

14.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 15.1 Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement?

15.2 If yes, state the amount thereof at December 31 of the current year:

15.21 Rented from others \$.....

15.22 Borrowed from others \$.....

15.23 Leased from others \$.....

15.24 Other \$.....
- Disclose in Notes to Financial Statements the nature of each of these obligations.

16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

16.2 If answer is yes,

16.21 Amount paid as losses or risk adjustment \$.....

16.22 Amount paid as expenses \$.....

16.23 Other amounts paid \$.....
- Yes [] No [X]

GENERAL INTERROGATORIES
(continued)
INVESTMENT

17. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price if Callable	5 Is Dividend Rate Limited? Yes No [] [X]	6 Are Dividends Cumulative? Yes No [] [X]
Preferred	.....0	.....0	.....0.000	.....0	[] [X]	[] [X]
Common	400,000	312,996	1.000	XXX	XXX XXX	XXX XXX

18.1. Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 2 - Special Deposits? Yes [] No [X]

18.2 If no, give full and complete information relating thereto:
Safekeeping provided by Fifth Third Bank

19.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 2 - Special Deposits; or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 15.1) Yes [] No [X]

19.2 If yes, state the amount thereof at December 31 of the current year:

19.21

Loaned to others

\$.....

19.22

Subject to repurchase agreements

\$.....

19.23

Subject to reverse repurchase agreements

\$.....

19.24

Subject to dollar repurchase agreements

\$.....

19.25

Subject to reverse dollar repurchase agreements

\$.....

19.26

Pledged as collateral

\$.....

19.27

Placed under option agreements

\$.....

19.28

Letter stock or other securities restricted as to sale ...

\$.....

19.29

Other

\$.....

19.3 For each category above, if any of these assets are held by others, identify by whom held:

19.31

19.32

19.33

19.34

19.35

19.36

19.37

19.38

19.39

For categories (19.21) and (19.23) above, and for any other securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

19.4 For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....

20.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

20.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] NA [X]
If no, attach a description with this statement.

21.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

21.2. If yes, state the amount thereof at December 31 of the current year. \$.....

22. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?..... Yes [X] No []

22.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
.....
.....

GENERAL INTERROGATORIES
(continued)
INVESTMENT

22.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year?..... Yes [] No [X]

22.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

22.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?..... \$.....

23.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$

24.1 Amount of payments for legal expenses, if any?..... \$.....475,113

24.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$0

25.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$

GENERAL INTERROGATORIES
(continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
1.2 If yes, indicate premium earned on U. S. business only \$
1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
1.31 Reason for excluding
1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$
1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$
1.6 Individual policies:
Most current three years:
1.61 Total premium earned \$0
1.62 Total incurred claims \$0
1.63 Number of covered lives \$0
All years prior to most current three years:
1.64 Total premium earned \$0
1.65 Total incurred claims \$0
1.66 Number of covered lives \$0
1.7 Group policies:
Most current three years:
1.71 Total premium earned \$0
1.72 Total incurred claims \$0
1.73 Number of covered lives \$0
All years prior to most current three years:
1.74 Total premium earned \$0
1.75 Total incurred claims \$0
1.76 Number of covered lives \$0
2.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]
2.2 If yes, give particulars:
3.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency? Yes [X] No []
3.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No []
4.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No []
4.2 If no, explain:
4.3 Maximum retained risk (see instructions)
4.31 Comprehensive Medical \$150,000
4.32 Medical Only \$0
4.33 Medicare Supplement \$
4.34 Dental \$
4.35 Other Limited Benefit Plan \$
4.36 Other \$
5. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
6.1 Does the reporting entity set up its claim liability for provider services on a service data base? Yes [X] No []
6.2 If no, give details:
7. Provide the following Information regarding participating providers:
7.1 Number of providers at start of reporting year299
7.2 Number of providers at end of reporting year299
8.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]
8.2 If yes, direct premium earned:
8.21 Business with rate guarantees between 15-36 months
8.22 Business with rate guarantees over 36 months
9.1 Does the reporting entity have Bonus/Withhold Arrangements in its provider contract? Yes [] No [X]
9.2 If yes:
9.21 Maximum amount payable bonuses \$
9.22 Amount actually paid for year bonuses \$
9.23 Maximum amount payable withholds \$
9.24 Amount actually paid for year withholds \$
10. List service areas in which reporting entity is licensed to operate:

Table with 1 column: Name of Service Area. Row 1: 1

FIVE-YEAR HISTORICAL DATA

	1 2002	2 2001	3 2000	4 1999	5 1998
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 23)	6,954,696	6,620,357	6,303,641	7,542,416	9,670,603
2. Total liabilities (Page 3, Line 18)	5,118,660	5,130,747	5,667,860	6,786,271	7,655,156
3. Statutory surplus		0	0	0	0
4. Total capital and surplus (Page 3, Line 26)	1,836,036	1,489,610	635,781	756,145	2,015,447
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 7)	40,809,398	37,911,977	34,333,715	32,681,201	35,259,217
6. Total medical and hospital expenses (Line 17)	36,194,127	34,404,971	32,355,692	33,972,485	35,902,069
7. Total administrative expenses (Line 19)	3,956,005	3,270,426	3,126,418	3,095,310	3,285,711
8. Net underwriting gain (loss) (Line 22)	441,680	64,980	(823,291)	(4,569,265)	(4,559,534)
9. Net investment gain (loss) (Line 25)	150,601	191,198	137,462	362,671	630,971
10. Total other income (Lines 26 plus 27)	0	0	0	0	0
11. Net income (loss) (Line 30)	390,905	256,178	(685,829)	(4,206,594)	(3,928,563)
RISK - BASED CAPITAL ANALYSIS					
12. Total adjusted capital	1,836,036	1,489,610	635,781	756,145	2,015,447
13. Authorized control level risk-based capital	1,296,468	1,337,709	1,241,720	1,363,489	949,237
ENROLLMENT (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7)	19,561	20,503	21,028	22,046	25,849
15. Total member months (Column 6, Line 7)	238,609	255,910	257,819	280,472	318,627
OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Line 2, 3 and 5)					
16. Premiums earned (Line 2 plus 3)	100.0	100.0	100.0	100.0	100.0
17. Total medical and hospital (Line 17)	92.9	95.6	98.5	105.8	102.8
18. Total underwriting deductions (Line 21)	103.6	105.2	107.0	114.9	113.9
19. Total underwriting gain (loss) (Line 22)	1.1	0.2	(2.5)	(14.2)	(13.2)
UNPAID CLAIMS ANALYSIS (U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 11, Col. 5)	3,383,980	4,794,477	5,500,097	5,598,499	2,660,695
21. Estimated liability of unpaid claims – [prior year (Line 11, Col. 6)]	4,113,648	4,514,589	5,415,500	4,792,126	2,574,625

FIVE-YEAR HISTORICAL DATA (Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
22. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)	0	0	0	0	0
23. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)	0	0	0	0	0
24. Affiliated common stocks (Sch. D Summary, Line 53, Col. 2)	0	0	0	0	0
25. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11)	0	0	0	0	0
26. Affiliated mortgage loans on real estate		0	0	0	0
27. All other affiliated		0	0	0	0
28. Total of above Lines 22 to 27	0	0	0	0	0

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year					
Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States				
	2. Canada				
	3. Other Countries				
	4. Totals				
States, Territories and Possessions (Direct and guaranteed)	5. United States				
	6. Canada				
	7. Other Countries				
	8. Totals				
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....				
	10. Canada				
	11. Other Countries				
	12. Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States				
	14. Canada				
	15. Other Countries				
	16. Totals				
Public Utilities (unaffiliated)	17. United States				
	18. Canada				
	19. Other Countries				
	20. Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States				
	22. Canada				
	23. Other Countries				
	24. Totals				
Parent, Subsidiaries and Affiliates	25. Totals				
	26. Total Bonds				
PREFERRED STOCKS Public Utilities (unaffiliated)	27. United States				
	28. Canada				
	29. Other Countries				
	30. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31. United States				
	32. Canada				
	33. Other Countries				
	34. Totals				
Industrial and Miscellaneous (unaffiliated)	35. United States				
	36. Canada				
	37. Other Countries				
	38. Totals				
Parent, Subsidiaries and Affiliates	39. Totals				
	40. Total Preferred Stocks				
COMMON STOCKS Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States				
	46. Canada				
	47. Other Countries				
	48. Totals				
Industrial and Miscellaneous (unaffiliated)	49. United States				
	50. Canada				
	51. Other Countries				
	52. Totals				
Parent, Subsidiaries and Affiliates	53. Totals				
	54. Total Common Stocks				
	55. Total Stocks				
	56. Total Bonds and Stocks				

(a) The aggregate value of bonds which are valued at other than actual fair value is \$

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year	50,000	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3	0	6.1 Column 17, Part 1	0
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Sec. 1	0
3.1 Column 16, Part 1	0	6.3 Column 11, Part 2, Sec. 2	0
3.2 Column 12, Part 2, Sec. 1	0	6.4 Column 11, Part 4	0
3.3 Column 10, Part 2, Sec. 2	0		
3.4 Column 10, Part 4	820	7. Book/adjusted carrying value at end of current period	0
4. Total gain (loss), Col. 14, Part 4	(820)	8. Total valuation allowance	0
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4	50,000	9. Subtotal (Lines 7 plus 8)	0
		10. Total nonadmitted amounts	0
		11. Statement value of bonds and stocks, current period	0

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed? (Yes or No)	Direct Business Only			
			3 Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums
1. Alabama	AL					
2. Alaska	AK					
3. Arizona	AZ					
4. Arkansas	AR					
5. California	CA					
6. Colorado	CO					
7. Connecticut	CT					
8. Delaware	DE					
9. District of Columbia	DC					
10. Florida	FL					
11. Georgia	GA					
12. Hawaii	HI					
13. Idaho	ID					
14. Illinois	IL					
15. Indiana	IN					
16. Iowa	IA					
17. Kansas	KS					
18. Kentucky	KY					
19. Louisiana	LA					
20. Maine	ME					
21. Maryland	MD					
22. Massachusetts	MA					
23. Michigan	MI	No	Yes	35,513,933		3,797,760
24. Minnesota	MN					
25. Mississippi	MS					
26. Missouri	MO					
27. Montana	MT					
28. Nebraska	NE					
29. Nevada	NV					
30. New Hampshire	NH					
31. New Jersey	NJ					
32. New Mexico	NM					
33. New York	NY					
34. North Carolina	NC					
35. North Dakota	ND					
36. Ohio	OH					
37. Oklahoma	OK					
38. Oregon	OR					
39. Pennsylvania	PA					
40. Rhode Island	RI					
41. South Carolina	SC					
42. South Dakota	SD					
43. Tennessee	TN					
44. Texas	TX					
45. Utah	UT					
46. Vermont	VT					
47. Virginia	VA					
48. Washington	WA					
49. West Virginia	WV					
50. Wisconsin	WI					
51. Wyoming	WY					
52. American Samoa	AS					
53. Guam	GU					
54. Puerto Rico	PR					
55. U.S. Virgin Islands	VI					
56. Canada	CN					
57. Aggregate other alien	OT	XXX	XXX	0	0	0
58. Total (Direct Business)	XXX	(a) 1	35,513,933	0	0	3,797,760
DETAILS OF WRITE-INS						
5701.						
5702.						
5703.						
5798. Summary of remaining write-ins for Line 57 from overflow page			0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)			0	0	0	0

Explanation of basis of allocation by states, premiums by state, etc.:

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

Grand Valley Health Corporation
Organization Chart



All Companies Common Stock Only